

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE:	§	CHAPTER 11
	§	
BEAUTIFUL BROWS LLC	§	Case No. 18-66766-jwc
	§	
<u>Debtor.</u>	§	

NOTICE OF HEARING

PLEASE TAKE NOTICE that S. Gregory Hays, as Chapter 11 Trustee (“Trustee”) for the bankruptcy estate (the “Estate”) of Beautiful Brows LLC, Debtor (the “Debtor”) in the above captioned case (the “Case”), has filed a *Motion by Chapter 11 Trustee for an Order Converting the Chapter 11 Case of the Debtor to a Case under Chapter 7* (the “Motion”). The Motion is on file with the Clerk of the Court at the address set forth below and is available for review between 8:00 a.m. and 4:00 p.m. or online anytime at <http://ecf.ganb.uscourts.gov> (registered users) or at <http://pacer.psc.uscourts.gov> (unregistered users) or a copy may be obtained from counsel for the Trustee identified below.

PLEASE TAKE FURTHER NOTICE that the Court will hold a hearing (the “Hearing”) to consider the Motion at **11:00 a.m. on August 15, 2019**, in Courtroom 1203, Richard B. Russell Federal Building, 75 Ted Turner Drive, S.W. Atlanta, Georgia 30303.

Your rights may be affected by the Court’s ruling on the Motion. You should read the Motion carefully and discuss it with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.) If you do not want the Court to grant the relief sought in the Motion, or if you want the Court to consider your views, then you and/or your attorney should attend the Hearing. You may also file a written response to the Motion with the Clerk at the address stated below, but you are not required to do so. The address of the Clerk’s Office is: Clerk, U.S. Bankruptcy Court, Suite 1340, 75 Ted Turner Drive Street, SW, Atlanta, Georgia 30303. You should also mail a copy of your response to the undersigned at the addresses stated below.

Dated: July 31, 2019.

Respectfully submitted,

LAW OFFICES OF HENRY F. SEWELL JR., LLC

/s/ Henry F. Sewell, Jr.

Henry F. Sewell, Jr.

Georgia Bar No. 636265

Buckhead Centre

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PROPOSED COUNSEL FOR THE TRUSTEE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
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IN RE:	§	CHAPTER 11
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BEAUTIFUL BROWS LLC	§	Case No. 18-66766-jwc
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<u>Debtor.</u>	§	

**MOTION BY CHAPTER 11 TRUSTEE FOR AN ORDER CONVERTING THE
CHAPTER 11 CASE OF THE DEBTOR TO A CASE UNDER CHAPTER 7**

COMES NOW S. Gregory Hays, as Chapter 11 Trustee (“**Trustee**”) for the bankruptcy estate (the “**Estate**”) of Beautiful Brows LLC, Debtor (the “**Debtor**”) in the above captioned case (the “**Case**”) and, by and through counsel, hereby files this *Motion by Chapter 11 Trustee for an Order Converting the Chapter 11 Case of the Debtor to a Case under Chapter 7* (the “**Motion**”). In support of the Motion, the Trustee respectfully shows the Court as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On October 3, 2018, (the “**Petition Date**”), the Debtor initiated the Case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”).

3. On November 21, 2018, the United States Trustee filed a Notice of Appointment of Chapter 11 Trustee and Setting of Bond [Doc. No. 46] pursuant to which S. Gregory Hays was appointed as the Chapter 11 Trustee for the bankruptcy estate of the Debtor. After the United States Trustee filed an Application for Approval of Selection of Appointment of Chapter 11

Trustee [Doc. No. 47] on November 21, 2018, the Court entered an Order Approving Appointment of Chapter 11 Trustee [Doc. No. 49] on November 26, 2018, confirming the appointment of S. Gregory Hays as the Chapter 11 trustee in the Case. The Trustee is duly qualified to act in such capacity.

4. Upon the appointment of the Trustee, the Trustee conducted an investigation of the business affairs of the Debtor to determine whether reorganization is possible or feasible in this Case. Based on that investigation, the Trustee, working with Debtor's counsel, determined that a reorganization was not feasible and, instead, assisted the Debtor in completing a sale of its business operations. This Sale was approved by the Court in its *Order Granting Motion to Sell* entered on May 31, 2019 (Docket No. 146). Per the *Trustee's Report of Sale* filed on June 26, 2019 (Docket No. 151), this transaction has now closed.

5. At present, the Debtor is no longer conducting any business operations or attempting a reorganization of its business affairs. The Debtor's remaining assets consist of cash from the closing of the sale, two automobiles which are in the process of being sold and miscellaneous claims, the value of which is currently undetermined.

RELIEF REQUESTED

6. By this Motion, the Trustee requests that the Court convert the Chapter 11 Case of the Debtor to a case under Chapter 7.

BASIS FOR RELIEF

7. Section 1112(b)(1) of the Bankruptcy Code provides, in pertinent part, that "on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 . . . for cause." 11 U.S.C. § 1112(b)(1). The term "cause"

includes “substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation.” 11 U.S.C. § 1112(b)(4).

8. Under the circumstances, the Trustee believes that sufficient cause exists to convert the Case to a proceeding under chapter 7 because: a) the operations of the Debtor have ceased; b) the Debtor does not have a reasonable likelihood of rehabilitation and c) the remaining limited assets of the Debtor should be liquidated. In business judgment of the Trustee, the administration of the Case will be more effective and more efficient under Chapter 7. Moreover, the elimination of certain expenses unique to Chapter 11, such as U.S. Trustee fees and expenses related to the filing of monthly financial reports, should minimize expenses and ensure a maximum recovery to the creditors of the Estate of the Debtor.

9. The Trustee believes that: a) the resources of the Estate will continue to be wasted if the Debtor remains in Chapter 11 since continuing the Case in Chapter 11 is simply an expensive exercise of futility; and b) conversion of the Case to a proceeding under Chapter 7 is in the best interests of the Estate, the Debtor, and its creditors.

WHEREFORE, Trustee requests that this Court: (a) grant this Motion; (b) enter an order converting the Chapter 11 Case of the Debtor to a proceeding under Chapter 7 pursuant to 11 U.S.C. §1112(b) effective as of the date of the filing of this Motion; (c) authorize the Trustee to continue as the Chapter 7 Trustee in the Case until further order of this Court; (d) direct the appointment of a Chapter 7 trustee for the bankruptcy Estate of the Debtor; and (e) grant such other and further relief as the Court deems just and proper.

Date: July 31, 2019.

Respectfully submitted,

LAW OFFICES OF HENRY F. SEWELL JR., LLC

/s/ **Henry F. Sewell, Jr.**

Henry F. Sewell, Jr.

Georgia Bar No. 636265

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PROPOSED COUNSEL FOR THE TRUSTEE

CERTIFICATE OF SERVICE

This is to certify that I have this day served the foregoing *Motion by Chapter 11 Trustee for an Order Converting the Chapter 11 Case of the Debtor to a Case under Chapter 7* was served via the Court's ECF system to all parties registered with the system who have filed appearances and requested notices and on the following persons or entities as set forth below:.

Office of the United States Trustee
c/o Thomas Wayne Dworschak, Esq.
362 Richard B. Russell Federal Building
75 Ted Turner Drive, SW
Atlanta, Georgia 30303
Via email and ECF

Beautiful Brows LLC
5002 North Royal Atlanta Dr
Suite M
Tucker, GA 30084

This 31st day of July, 2019.

Respectfully submitted,

LAW OFFICES OF HENRY F. SEWELL JR., LLC

/s/ Henry F. Sewell, Jr.

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PROPOSED COUNSEL FOR THE TRUSTEE